SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Peace	Analyst: John J. Pavalask	cy Bill Number: SB 30
See Legislative Related Bills: History	Telephone: 845-4335	Amended Date: 5/20/99
	Attorney: Patrick Kusiak	Sponsor:
SUBJECT: Exclusion of Small Business Stock Issued after 1/1/1999/Joint Study		
DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended		
AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.		
AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended		
FURTHER AMENDMENTS NECESSARY.		
X DEPARTMENT POSITION CHANGED TO NEUTRAL.		
X REMAINDER OF PREVIOUS ANALYSIS OF BILL AMENDED 2/19/99 STILL APPLIES.		
X OTHER - See comments below.		
SUMMARY OF BILL		
Under the Personal Income Tax Law, this bill would (1) remove the sunset date on the issuance of qualified small business stock, and (2) make legislative findings and declarations relating to the double taxation of corporate dividends and require the Franchise Tax Board (FTB) and the Department of Finance (DOF) to jointly prepare and make recommendations to the Legislature no later than July 1, 2000, with respect to statutory changes aimed at ending or ameliorating the effects of the double taxation of corporate dividends.		
SUMMARY OF AMENDMENT		
The May 20, 1999, amendment mode double taxation of corporate dimplications at the state and DOF to recognize the distinction systems in the joint statutory departments to make to the Legato changes aimed at ending or corporate dividends.	ividends to recognize the federal levels. It also to some between the state and recommendations this bilitials.	at this issue has different requires the FTB and the d federal income tax ll requires these two uly 1, 2000, with respect
The specific findings, legislatively mandated reports and fiscal impact contained in the analysis dated February 18, 1999, still apply.		
BOARD POSITION		
At its March 23, 1999, meeting neutral position on the Februa:		
Board Position: NA SA NA SA O X_N OUA	NP NAR PENDING	Department/Legislative Director Date Johnnie Lou Rosas 6/11/1999

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